

Committee:	Dated:
Housing Management and Almshouses (Community and Children's Services)	16/01/2017
Subject: Homes for Londoners: Affordable Homes Programme 2016 – 2021	Public
Report of: Director of Community and Children's Service	For Information
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Summary

This report informs Members of the Mayor of London's *Homes for Londoners: Affordable Homes Programme 2016 – 21* funding prospectus, which seeks to support the delivery of 90,000 new affordable homes. This funding programme offers an important opportunity for the City of London Corporation (City Corporation) to bid for grant to deliver its planned social housing.

Recommendations

Members are asked to note the report.

Main Report

Background

1. The Mayor of London has published his housing funding prospectus – *Homes for Londoners: Affordable Homes Programmes 2016 – 2021*. The prospectus sets out guidance for those wishing to bid for a programme to deliver at least 90,000 new affordable homes.
2. The prospectus seeks to deliver three affordable housing products:

London Affordable Rent

This is for people on low incomes who are unable to secure or sustain housing on the open market. The rents for these properties will be set according to target rent benchmarks, the mechanism previously used to set social rents.

London Living Rent

This is aimed for Londoners on average incomes. It echoes aspects of the Government's Rent to Buy scheme with sub-market rents on time-limited tenancies, aimed to encourage home ownership in the longer term.

London Shared Ownership

This scheme will help home buyers to purchase shares in a new home, whilst paying a regulated rent on the remaining, unsold share.

3. The programme will be funded by £3.15bn for new affordable homes in London announced by the Government in the Autumn Statement. In line with the

government's requirement, the programme will deliver 58,500 shared ownership homes and the Mayor intends for 29,000 new London Affordable Rents homes.

4. The programme announced represents a marked change in approach for rented homes, in that it proposes higher grant rates per unit in order to secure rent levels that are far closer to target social rents than the existing Affordable Rent (up to 80 per cent of market rent) model.

Funding for Affordable Housing

5. The funding will be administered by the Greater London Authority – with the first funding round opening on 31 January 2017 until 13 April 2017, with a decision on successful bids expected in May 2017. The GLA does not expect to allocate its entire grant in the initial bidding round, and further opportunities to bid will be available.
6. The programme presents an opportunity for the City Corporation to bid to deliver its planned programme of new homes under the London Affordable Rent scheme – where such schemes can start on site before 31 March 2021. This programme offers a fixed rate of £60,000 per home when rent is set at or below benchmark levels.
7. The funding is not available for use through an authority's Local Housing Company (where such exists), and requires certain conditions to be met. It is also likely to require compliance with the Mayor's broader affordable housing policies. In addition there will be value for money and affordability assessments as part of the bidding process. It should be noted that this funding cannot be used in conjunction with any Right to Buy re-provision receipts.
8. The GLA is actively encouraging all local authorities in London to submit bids for funding. As such the City Corporation will investigate the potential to bid for grant funding for its planned delivery programme of new homes on its existing social housing estates.

Conclusion

9. The City Corporation's commitment to build 700 affordable homes aligns closely to the ambitions of the Mayor of London's Affordable Homes Programme. Therefore, this new programme provides an important opportunity for the City Corporation to bid for substantial funding to support its planned programme.

Appendices

None

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